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Public Hearing  
**Prevailing Wage Thresholds**

Sponsored by the State of Connecticut's  
Labor and Public Employees Committee  
THURSDAY, MARCH 16, 2006, 9:00 AM,  
Legislative Office Building, Room 2B, 300 Capitol Ave, Hartford, CT

My name is Susan Kniep. I had served as the Mayor of East Hartford from 1989 to 1993. I had also served for several years on East Hartford's Town Council. I am currently the President of The Federation of Connecticut Taxpayer Organizations, Inc.

The legislature enacted the state's prevailing wage law in 1933. Today, the Prevailing Wage laws are antiquated. The State Legislature's failure to implement substantive changes to the Prevailing Wage Laws are driving up property taxes which your constituents in your home towns are being forced to pay. I ask that you support the prevailing wage laws before you. I ask that you recognize, however, that they offer very minimal relief for Connecticut taxpayers.

As you increase the threshold from \$400,000 to \$1 million for new construction and from \$100,000 to \$500,000 for remodeling or repairs, keep in mind that the majority of local government projects far exceed these costs. Multi million dollar school and road projects will continue to drive up local property taxes subject to prevailing wage laws, which more appropriately should be classified as "union negotiated wages". These multi million dollar projects also carry an added cost as they cannot be absorbed in local budgets. Instead they must be bonded, driving the costs even higher when interest is factored in.

As you debate Connecticut's Prevailing Wage laws, factor into your discussion the following:

1. Your constituents in your hometowns have to pay increased property taxes driven by the Prevailing Wage Laws which you force upon municipalities.
2. The majority of your constituents, your neighbors, your friends do not have the benefit of prevailing wage laws or job protection or job security of any kind.

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- 3. Some of your constituents have the capability to work on government funded construction projects in your hometowns but are restricted under your prevailing wage laws because they do not belong to a union.**
- 4. The majority of your constituents work at-will, in the private sector. They can be terminated at any time, have their salaries cut, pay double for their health insurance premium, be forced to take on their fellow co-workers job, or in a worse case scenario, see their job shipped overseas. But they must pay their property taxes or the government will take their homes.**
- 5. The Federal Government has suspended the Prevailing Wage laws when necessary such as in September 1992 by after hurricane Andrew to expedite the construction efforts.**
- 6. Some states are considering limiting or suspending their prevailing wage requirements to offset budgetary shortfalls.**
- 7. You have the power to abolish the Prevailing Laws in Connecticut and give taxpayers property tax relief.**
- 8. If you suspend Prevailing Wage Laws on school projects, more money will be left with Boards of Education to finance programs and books for their students.**

**In November, those of you who will be seeking reelection will be approaching voters in the towns in which you live and asking for their vote. Concurrently you will be burdening them with state mandates such as the Prevailing Wage Laws which are driving up their property taxes. I hope you are honest with your constituents and tell them of the State laws you have passed which are forcing them to pay higher property taxes.**

**It is well known that legislators have acquiesced to the unions with the anticipation of union support when seeking reelection. But I ask you, what happens when the voters in your home towns who work at-will or are unprotected in their jobs, get it. When they understand that you have abandoned them for union support and have passed laws driving up their local property taxes. Because that day is here. As the news reports informed us this week, there is a nationwide Taxpayer Revolt driven by increased property taxes.**

**That revolt will be carried to the voting booth, if you, our State legislators fail to rescue Connecticut's taxpayers from the abyss of excessive taxation you have created over the past 20-30 years.**